

**State of Alaska**  
**FY2010 Governor's Operating Budget**

**Department of Health and Social Services**  
**Senior and Disabilities Medicaid Services**  
**Component Budget Summary**

**Component: Senior and Disabilities Medicaid Services**

**Contribution to Department's Mission**

To maximize the services available to all Alaskans who are entitled to Medicaid services.

**Core Services**

- Funds support institutional and community-based services for older Alaskans, children who are developmentally disabled, and adults with disabilities. The Medicaid program is jointly funded by the federal and state governments to assist in the provision of adequate and competent medical care to eligible persons. Some individuals receive care through Medicaid waiver programs which allow individuals to be served in non-institutional, home and community based settings rather than institutions.
- Nursing Facility Services include placement in a nursing institution which provides either an intermediate or skilled level of nursing care.
- Personal Care Services provide non-technical, hands-on assistance with activities of daily living (such as bathing, dressing, or grooming) and related instrumental activities of daily living (such as shopping or cooking) necessary to maintain the health and safety of the client in a home setting. Services are provided by personal care attendants through a qualified personal care agency. There are two methods of delivering personal care services: agency-based or consumer-directed.
- Home and Community Based Waiver Services provide long-term care services in home and community based settings to persons who need the level of care provided in a nursing facility or intermediate care facility for the mentally retarded but wish to remain in their own homes and communities to receive services.
- Medicaid services include care coordination, chore services, adult day services, day habilitation, environmental modifications, meals, respite care, residential care in alternatives such as assisted living or group homes, specialized medical equipment, specialized private duty nursing, supported employment, and transportation. Senior and Disabilities Medicaid Services component administers four Medicaid Waiver programs:
- Older Alaskan Waiver provides services to Medicaid eligible persons aged 65 and older who need the level of care provided in a nursing home.
- Adults with Physical Disabilities Waiver provides services to Medicaid eligible persons between the ages of 21 and 64 who need the level of care provided in a nursing home.
- Mental Retardation/Developmental Disability Waiver provides services to Medicaid eligible persons with mental retardation, autism, cerebral palsy, seizure disorder, or a condition that means the person functions as if having mental retardation. The person must also have a serious limitation in everyday functions of life and need the level of care provided in an intermediate care facility for the mentally retarded.
- Children with Complex Medical Conditions Waiver provides services to Medicaid eligible persons age 21 or younger having a severe, life threatening, chronic physical condition that is expected to continue for more than 30 days. The child also must be dependent upon medical care or technology and need the level of care provided in a nursing home or hospital.

**FY2010 Resources Allocated to Achieve Results**

<b>FY2010 Component Budget: \$367,581,300</b>	<b>Personnel:</b>	
	Full time	0
	Part time	0
	<b>Total</b>	<b>0</b>

**Key Component Challenges**

- Legislative intent language tasks Senior Disability Services (SDS) with "expeditious administrative

processing of individuals on the waitlist so they may begin receiving services as quickly as possible and continued efforts to implement regulation changes to 7 AAC 43.750-795 to control and reduce costs of the Personal Care Attendant (PCA) program..." Contracts for the completion of Medicaid assessments for SDS Medicaid programs have expired. The division is in the process of establishing and hiring positions to take over the assessment process by State of Alaska employees. Hiring staff to perform this function will allow SDS to more effectively get people signed up for the services they are eligible to receive. SDS anticipates a need for a total of approximately 25 assessors to catch up on back-logged assessments and complete future assessments in a more timely fashion. SDS has successfully created ten permanent assessor positions that were approved in the FY09 budget process. Recruitment efforts are currently underway to fill these positions. SDS has asked for additional new positions in FY10.

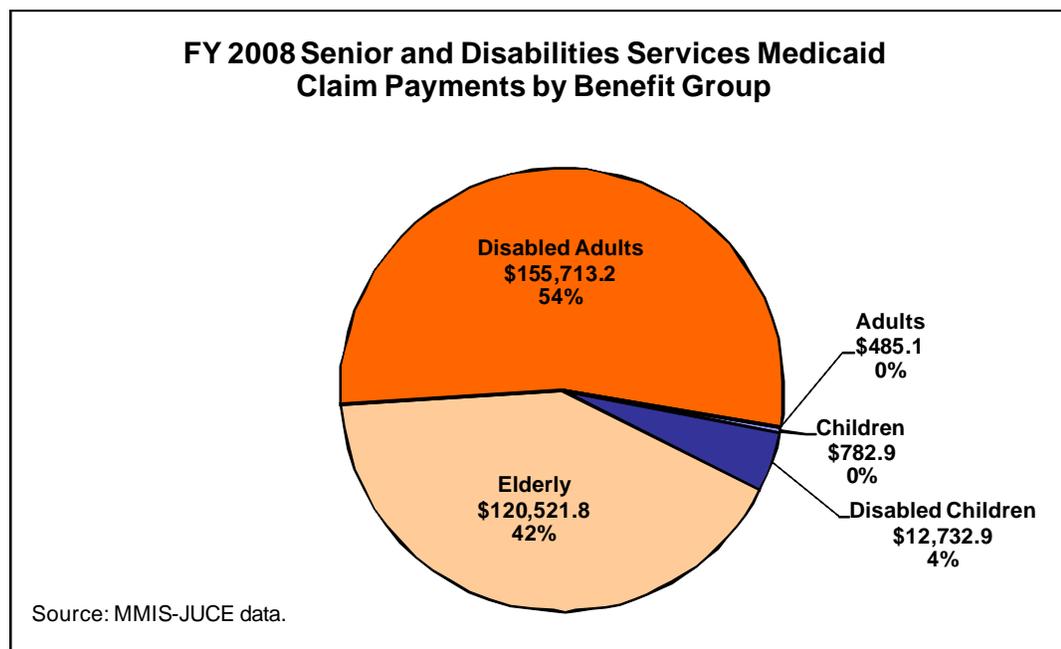
- SDS is in the process of developing an integrated database called the DS3, to integrate many independent client tracking tools into one. SDS continues to improve and develop the DS3 database for clients. The division is in the second year of contracting with a computer-programming agency that works closely with SDS staff to develop a functional tool based on the needs of the division.

### Significant Changes in Results to be Delivered in FY2010

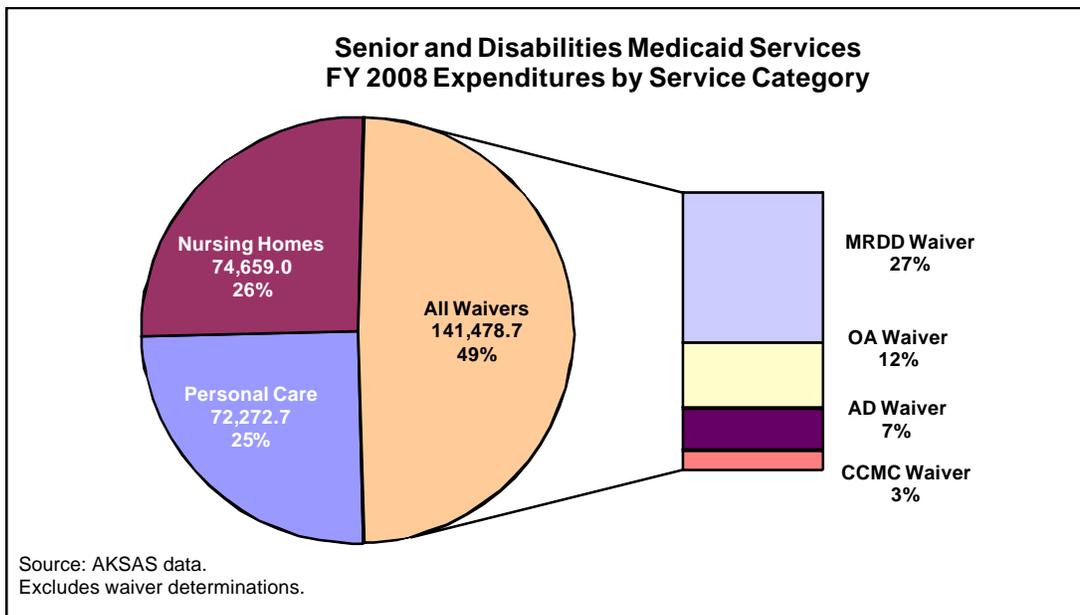
No significant changes in results.

### Major Component Accomplishments in 2008

- In FY08 Senior and Disabilities Medicaid provided services to approximately 7,400 beneficiaries at an average annual cost per person that approached \$39,200. Almost 54% of the benefit payments were for disabled adults, about 42% for the elderly, and 4% were disabled children.



- Benefit costs for all services funded through Senior and Disabilities Medicaid grew by 2% between FY07 and FY08. FY08 costs for personal care services were 7% less than FY07 costs, while costs for nursing homes grew by 9% and home and community based waiver services grew by 6% overall. In FY08, nearly half of Senior and Disabilities Medicaid claim payments were for waiver services. Personal care services comprised 25%, and nursing home services comprised 26% of FY07 payments.



- At the direction of the state legislature, DHSS implemented regulations to better manage and evaluate its Personal Care Attendant (PCA) program in April 2006. Regulation changes reduced the number of clients accessing the PCA program and the quantity of services utilized. Audits of Personal Care Attendant agencies and assistance providers, along with strict enforcement of existing regulations, also contributed to the successful control of PCA service utilization since 2006. As a result, annual Medicaid spending on PCA services decreased 7% for the second consecutive year.

### Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons  
AS 47.25 Public Assistance

Social Security Act:  
Title XVIII Medicare  
Title XIX Medicaid

Administrative Code:  
7 AAC 43 Medicaid  
7 AAC 100 Medicaid Assistance Eligibility

Code of Federal Regulations:  
Title 42 CFR Part 400 to End

### Contact Information

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**Senior and Disabilities Medicaid Services  
Component Financial Summary**

*All dollars shown in thousands*

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	885.9	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	288,711.5	346,139.6	367,581.3
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>289,597.4</b>	<b>346,139.6</b>	<b>367,581.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	158,780.9	185,988.1	192,216.5
1003 General Fund Match	126,183.5	138,118.5	152,459.4
1004 General Fund Receipts	2,061.6	19,153.2	19,153.2
1007 Inter-Agency Receipts	2,259.0	1,679.8	2,552.2
1108 Statutory Designated Program Receipts	312.4	1,200.0	1,200.0
<b>Funding Totals</b>	<b>289,597.4</b>	<b>346,139.6</b>	<b>367,581.3</b>

Estimated Revenue Collections				
Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	158,780.9	185,988.1	192,216.5
Interagency Receipts	51015	2,259.0	1,679.8	2,552.2
Statutory Designated Program Receipts	51063	312.4	1,200.0	1,200.0
<b>Restricted Total</b>		<b>161,352.3</b>	<b>188,867.9</b>	<b>195,968.7</b>
<b>Total Estimated Revenues</b>		<b>161,352.3</b>	<b>188,867.9</b>	<b>195,968.7</b>

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>157,271.7</b>	<b>185,988.1</b>	<b>2,879.8</b>	<b>346,139.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Medicaid Program - Change in Federal Financial Participation	-748.6	748.6	0.0	0.0
-Reverse FY09 One-Time Funding to Increase Home & Community Based Waiver Rates (Assisted Living Homes) from 4% to 6%	-278.5	-290.2	0.0	-568.7
<b>Proposed budget decreases:</b>				
-Medicaid Program - Reduce Excess Federal Authority	0.0	-11,000.0	0.0	-11,000.0
<b>Proposed budget increases:</b>				
-Add Authorization for Previously Unbudgeted RSA From AK Pioneer Homes	0.0	0.0	872.4	872.4
-Medicaid Program - Formula Growth	15,368.0	16,770.0	0.0	32,138.0
<b>FY2010 Governor</b>	<b>171,612.6</b>	<b>192,216.5</b>	<b>3,752.2</b>	<b>367,581.3</b>